

**UNITED NATIONS
DEVELOPMENT
PROGRAMME**



UNDP

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**APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE
ASIA AND PACIFIC REGION**

IPF: (1992-96) \$151 400 000
(RAS/92/430) - Tumen River Area Development Programme

Date of approval by the AC:^{1/}
Expected duration:
Proposed executing agency:
Government implementing agency:

30 September 1992

Two years

UNDP/OPS

Programme Management Committee (PMC) of
Participant Governments (China, DPR Korea,
Mongolia, Republic of Korea and Russia as
associated country)

Proposed UNDP contribution:
Third-party cost sharing:
Previous UNDP contribution:
Total UNDP budget:

\$3 515 000
\$1 000 000
\$ 825 000
\$5 340 000

Source of funds: IPF
Source of funds: Finland



Project background

The Tumen River forms the boundary of the People's Republic of China (PRC), the Democratic People's Republic of Korea (DPRK) and the Russian Federation (RF) and is centrally located in Northeast Asia flowing into the Sea of Japan. In view of the strategic importance and great potential for international economic co-operation of the Tumen River Basin, the development of this area has drawn increasing international attention in recent years. Several broad economic studies have been undertaken of the Pacific Rim, North-East Asia, and the Sea of Japan which note the potential of the Tumen region.

The Tumen River Basin is considered vital towards the economic development of North-East Asia with its advantageous geographic location for the development of international transportation for the subregion (both sea and land) benefitting coastal countries along the Sea of Japan as well as the landlocked Mongolia, the distinct prospect of serving as the pole of a major land bridge to the interior of Asia and possibly Europe, the complementarity of the natural resources, labour force and industrial structure of the countries in the Region, rich natural resources, including minerals, energy, water, farmland, and forests, the desire of the frontier countries of China, DPRK, RF (formerly USSR) for the dynamic economic development in the Tumen River area; and the expressed interest of the countries neighbouring the Tumen River Area, especially Japan and Republic of Korea, in the promotion of international trade and investment in the area.

Based on the agreement of the countries represented at the Project Management Committee (PMC) as well as the comments received during fact finding missions and from associated

^{1/} This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

agencies, UNDP assistance was requested to address preliminary and pre-feasibility issues, and provide the technical and analytical measures for development and benefits of joint action in the Tumen River Area.

Description of project

The project will prepare a short-term Action Programme of immediate confidence building measures and will develop a long-term Comprehensive Plan detailing future areas of cooperation among participant countries related to trade, industrial and sector strategy, infrastructure investment, institutional and legal development, environmental protection, and others.

Project activities will include: (a) evaluating opportunities for immediate improvement of trade relations in the Tumen River Area; (b) analyzing opportunities for short-term improvement of transport operations as well as immediate environmental concerns; (c) completing study tours of national team members, PMC members and technical experts; (d) enabling national teams to cooperate successfully in workshops, resolve issues of mutual concern, and prepare short and long-term plans; (e) establishing a data bank; (Long-Term Comprehensive Plan) (f) describing and analyzing the development potential of the Tumen River Area in terms of its natural, man-made and human resources, environmental constraints, and institutional factors as they apply to trade, industrial development and tourism; (g) preparing and evaluating development options as they relate to trade, industrial expansion, investment, human development, environmental protection, legal coordination and institutional cooperation; (h) preparing a development strategy to feasibility level, as it relates to trade, investment, industrial and tourism expansion, infrastructure, environmental protection, and legal/institutional coordination and cooperation; and (i) identifying and preparing a proposal for the development of SEZs in the Tumen River Area as well as mechanisms for institutional cooperation.

Inputs

UNDP will provide 18 work-months for programme manager (PM), 18 work-months for programme officer (PO), 18 work-months for a programme administrative assistant to the PM and PO, 18 work-months for senior advisers, 61 work-months for consultants/specialists in implementation strategies macro-economics; project, regional and development economics and planning; transit and trade issues; infrastructure engineering; legal, institutional and financial issues; and project and programme evaluation; training including study tours and workshops, and exchange of National Team members; and equipment for the PM offices.

Financial data

	\$
Personnel	2 342 000
Subcontract	125 000
Training	540 000
Equipment	382 000
Miscellaneous	126 000
Total	<u>3 515 000</u>